



## CPN Retail Growth Leasehold property Fund

### 3Q 2013 Earnings Result Briefing: CPNRF – CPN Retail Growth Leasehold Property Fund

#### Earnings Result Briefing Script

**Event Date/Time: 28th November 2013 / 9:00 AM - 10:30 AM**

**Venue: The Stock Exchange of Thailand, Bangkok**

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**CPNRF - 3Q2013 Results**

**Earnings Result Briefing Script 2/5**

**CORPORATE PARTICIPANTS**

**CPNRF – CPN Retail Growth Leasehold Property Fund**

**Tipaphan Puttarawigorm**

SCB Asset Management (“SCBAM”) – Vice President Property and Infrastructure Fund Group

As a representative of CPNRF and CPNCG’s Fund Manager

**Visit Udomkitchote**

Central Pattana (“CPN”) – Vice President CentralWorld

As a representative of CPNRF’s Property Manager

## CPNRF Presentation

### **Page 5: Leasable Area and Occupancy**

Start with CPNRF's operation. CentralPlaza Rama 2's total gross area was 251,182 sq.m. of which leasable area was 85,866 sq.m. with 308 tenants. As of the end of the third quarter, occupancy rate was 95.3%, a slight increase from the previous quarter at 95.2%.

CentralPlaza Rama 3's total gross area was 169,740 sq.m. of which leasable area was 37,255 sq.m. with 247 tenants. Occupancy rate was at 97%, a 0.3% decrease from 2Q13.

CentralPlaza Pinklao's total gross area was 135,018 sq.m. of which leasable area was 21,730 sq.m. with 115 tenants. Occupancy rate was at 99.1%.

Pinklao Office Tower's gross area was 50,653 sq.m of which leasable area was 33,760 sq.m. with 102 tenants. Occupancy rate was at 97.6%, a decrease from 2Q13 due to the non-renewal of contracts by some tenants. We are currently in process of acquiring new tenants.

### **Page 6: New and Renewed Lease Profile**

As of 9M13, at CentralPlaza Rama 2 the no. of renewal and new lease was 62 with 4,401 sq.m., accounted for 5.1% of total leaseable area. The renewed rental rate went up 7.7%.

The total no. of leases was 31 at CentralPlaza Rama 3 with leasable area of 6,115 sq.m., accounted for 16.4% of total leaseable area. The renewed rental rate rose 6.4%.

At CentralPlaza Pinklao, the total no. of leases was 21 with leasable area of 3,222 sq.m or 14.8% of total leaseable area at the rental growth rate of 6.2%.

At Pinklao Office Tower A&B, 12 leases were renewed with 3,399 sq.m or 10% of total leaseable area. Rental rate grew 5.5%.

Overall, the rental rates for the 3 malls have gone up by 6.5%.

### **Page 7: Lease Expiry Profile**

As for our lease expiry profile, the percentage of expiring leases in 4Q13 (Oct.-Dec. 2013) is as follows: 15% at CentralPlaza Rama 2, 6% at CentralPlaza Rama 3, 4% at CentralPlaza Pinklao, 8% at Pinklao Office Tower A & B with 11%, overall.

The expiry profile for 2014, 2015 and 2016 were as shown on the chart.

### **Page 8: Rental Structure Profile**

CentralPlaza Rama 2's fixed rent accounted for 52% of total leaseable area, while the remaining 48% were consignment (% of sales rent). CentralPlaza Rama 3 consisted of 74% fixed rent and 26% consignment. CentralPlaza Pinklao's fixed rent was 93% while consignment was 7%. Our leases at Pinklao Office Tower A&B were 100% fixed rent.

### **Page 10: Income Breakdown**

Look at the financial status of the fund. As of 3Q13, CPNRF's total income was Baht 665 million, a 2% decrease QoQ and a 6% increase YoY. The 40% of total income or Baht 260 million was contributed from CentralPlaza Rama 2, approx. Baht 160 million from CentralPlaza Rama 3. CentralPlaza Pinklao contributed 35% or approx. Baht 205 million.

Compared to the previous quarter, CPNRF's income had decreased. However, if comparing 9M13 to 9M12, CPNRF's total income had increased around 28% and net profit had increased by 30%. The major contributor to CPNRF's income and profit was CentralPlaza Pinklao.

#### **Page 11: Profit & Loss**

In 3Q13, CPNRF reported total income of Baht 665 million and net investment income of Baht 534 million, a 5% increase YoY.

In 3Q13, CPNRF had recorded an unrealized gain from asset revaluation in an amount of Baht 210 million. As a result, the net increase in net asset was Baht 774 million, an increase of 6%.

#### **Page 12: Balance sheet**

There was no significant change in CPNRF's Balance Sheet in 3Q13 except the item associated with the asset revaluation as shown in the increase in retained earnings of approx. Baht 200 million. As a result, the Net Asset Values increased 1% and NAV per unit went up from Baht 10.75 to Baht 10.88.

#### **Page 13: Distribution Summary**

As per dividend payout announcement in October, the 3Q13 dividend was paid in an amount of Baht 518 million from the Net Investment Income of Baht 534 million or 97% payout ratio. Distribution per unit was Baht 0.3167, similar to the dividend paid in the previous quarter, accounted for the annualized yield of 7.2% for the previous 12 months.

CPNRF has announced an additional interim dividend payout of Baht 0.30 from the operating profit period from Oct.1 – Dec.15, 2013. Some retained earnings will also be paid to existing unitholders whose names appeared on the register book on November 27, 2013 will be entitled to receive this dividend. The payout date will be on January 15, 2014.

#### **CPNRF Capital Increase Announcement**

The Investment Committee has announced the Maximum Offering Price to the existing unitholders who are interested in subscribing additional investment units, either equal to or excess of their entitlement. The announced Maximum Offering Price is Baht 16 per unit. Subscription period for additional investment units were as follows:

- For existing unitholders who are retail investors  
Subscription Period: during 3 - 12 December 2013 (within 12.00 A.M. of 12 December 2013)
- For exiting unitholders, who are special subscribers and owners of the real properties, and persons who are qualified under the private placement  
Subscription Period: during 3 - 18 December 2013

The private placement will be able to subscribe only if there are remaining investment units which are not subscribed by the existing unitholders.

The first allotment will be offered to the existing unitholders who are entitled only in the portion equal to their entitlement. The remaining investment units from this allotment will be offered to the existing unitholders who want to subscribe exceed to their entitlement as well as to the private placement.

The allotment will be done as the Management Company deems appropriate based on the number of subscription.

The Offering Price of Baht 16 is the maximum price from the range of price between Baht 15.50 – 16.00 obtained from the investor surveys. In case that the Final Offering Price is lower than the Maximum Offering Price, the excess subscription payment will be refunded to the subscribers. The payment will be calculated based on 1) the difference between the Maximum Offering Price and the Final Offering Price and 2) the unsubscribed portion in case that the existing unitholders subscribe for the additional investment units in excess of their entitlement.

The payment will be refunded by December 27, 2013. The Final Offering Price will be announced on December 18, 2013.